

PROVIDING TRANSPORTATION OF PASSENGERS AND MERCHANDISE ON CANADIAN VESSELS IN ALASKA

JUNE 13, 1951.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. BREEN, from the Committee on Merchant Marine and Fisheries,
submitted the following

REPORT

[To accompany H. R. 157]

The Committee on Merchant Marine and Fisheries, to whom was referred the bill (H. R. 157) to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of this bill is to provide for temporary exemptions from certain coastwise laws so that the laws restricting to United States vessels the carriage of passengers and merchandise between two United States ports shall not be applicable to commerce between Haines and other points in Alaska, Skagway, and other points in Alaska, and between Hyder and other points in Alaska or the continental United States, either directly or via a foreign port.

The provisions of law which would be, in effect, amended by the proposed legislation are section 8 of the act of June 19, 1886, as amended (30 Stat. 248; 46 U. S. C., 1946 ed., sec. 289), and section 27 of the act of June 5, 1920 (41 Stat. 99; 46 U. S. C., 1946 ed., sec. 883). The former makes transportation of passengers between ports or places in the United States in foreign vessels liable to a penalty of \$200 per passenger, and the latter provides that no merchandise may be transported in the coastwise trade in foreign vessels upon penalty of forfeiture.

The need for this bill is brought about by the fact that American-flag ships are not serving, except at most irregular intervals, the communities of Haines and Skagway, and are not serving the port

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village of Hyder at all. There is no hope that American-flag cargo and passenger service for these important, but small and relatively isolated, Alaskan communities will be improved within and during the coming year. Rather than broaden the exemption from the long-standing coastwise laws, however, this bill extends the waiver of the coastwise laws only for a period of 1 year, until June 30, 1952. On the other hand, until adequate American-flag steamship service can be rendered to Haines and Skagway at the Canadian end of the Lynn Canal in southeastern Alaska, these communities may be suitably served by Canadian vessels in the regular course of their operations, if this permission is granted for them to do so. Except for the much more expensive air transportation there is no other way for passengers to move in and out of these communities to other points in Alaska or the States.

The situation is even more acute with respect to Hyder, located on the Portland Canal, across from British Columbia in the southernmost portion of southeastern Alaska. As indicated above, American-flag operators are evidently unwilling to service this very small community although your committee understands that it is absolutely essential to the successful and uninterrupted operation of the Riverside mine at Hyder which produces tungsten, a vital strategic metal, that adequate transportation be assured to that community for cargo as well as for passengers. This can be accomplished by permitting Canadian vessels which also call at Stewart, British Columbia, to serve Hyder.

It has been necessary several times in recent years to enact legislation waiving coastwise laws to meet the essential needs of these Alaskan communities. In fact, the problem of water transportation between the United States and the Territory of Alaska, and between the ports in the Territory, has been a very difficult one for a number of years. No long-range solution has yet been reached. Your committee feels, therefore, that in the interest of the development of the Territory and to meet the immediate needs of the citizens thereof, this bill should be enacted so as to permit Canadian vessels to continue to serve the needs of the ports covered by this bill until June 30, 1952. Despite suggestions that waiver of coastwise laws be granted on a long-term or permanent basis, your committee is unwilling to recommend such a departure from the traditional policy of the United States to limit its domestic waterborne commerce to United States-flag vessels. In this connection it is the hope and desire of your committee that the difficult problems of transportation to and from points in Alaska to the United States may be solved in the not-too-distant future.

No objections to the objectives of this bill have been interposed by any American-flag vessel operators in the Alaskan service.

The Department of the Interior and the Department of Commerce have reported to your committee in favor of the objectives of this bill, as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D. C., May 4, 1951.

Hon. EDWARD J. HART,
*Chairman, Committee on Merchant Marine and Fisheries,
House of Representatives, Washington 25, D. C.*

MY DEAR MR. HART: This is in reply to the request of your committee for the Department's views on H. R. 157, a bill to provide transportation on Canadian vessels between Skagway Alaska, and other points in Alaska, between Haines,

Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

The bill would in effect extend the life of the act of June 29, 1950 (Public Law 584, 81st Cong., 2d sess.), for a period of 1 year.

The bill provides that, until June 30, 1952, the laws (sec. 8 of the act of June 19, 1886 (24 Stat. 79, 81), as amended (46 U. S. C., 1946 ed., sec. 289), and section 27 of the act of June 5, 1920 (41 Stat. 938, 999), as amended (46 U. S. C., 1946 ed., sec. 883), restricting to United States vessels the carriage of passengers and merchandise between United States ports shall not be applicable to the transportation of passengers between Haines and other points in Alaska, or between Skagway and other points in Alaska, and shall not be applicable to the transportation of passengers or merchandise between Hyder and other points in Alaska or the continental United States.

Since the enactment of the act of June 29, 1950, there has been no improvement in the basic shipping situation. Shipping services provided by American vessels to Haines and Skagway are still inadequate, and there are as yet no American vessels providing any shipping services to Hyder. There is little prospect of any improvement in the near future.

Enactment of H. R. 157 would help to secure additional and more adequate shipping services for the communities of Haines, Skagway, and Hyder until June 30, 1952. This highly desirable result would be most welcome, but it should be recognized that this would provide only limited and temporary relief to these communities. It is our hope that the Congress will give favorable consideration, also, to more comprehensive and permanent legislation which would exempt Alaska from the burdensome provisions of the coastwise shipping laws.

Therefore, this Department urges prompt enactment of this legislation.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

MASTIN G. WHITE,
Acting Assistant Secretary of the Interior.

THE SECRETARY OF COMMERCE,
Washington 25, April 11, 1951.

HON. EDWARD J. HART,
*Chairman, Committee on Merchant Marine and Fisheries,
House of Representatives, Washington, D. C.*

DEAR MR. CHAIRMAN: This letter is in further reply to your request dated February 8, 1951, for the views of the Department of Commerce with respect to H. R. 157, a bill to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska; between Haines, Alaska, and other points in Alaska; and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

H. R. 157 provides that until June 30, 1952, passengers may be transported on Canadian vessels between Skagway, Haines, Hyder, and other points in Alaska or in the continental United States, either directly or via a foreign port, or for any part of the transportation. It also provides that Canadian vessels may transport merchandise between Hyder, Alaska, and the other ports or points above mentioned.

Under Public Law 584, Eighty-first Congress, approved June 29, 1950, permission for such transportation in Canadian vessels expires June 30, 1951. Since the passage of this act there has been little improvement in the steamship service accorded Skagway, Haines, and Hyder by American-flag services. The Alaska Steamship Line, Inc., which began service in the spring of 1949 to Seward and Valdez from Puget Sound area, has recently discontinued this service. This line had intended to serve Skagway, but no such service was ever established by it.

The Ocean Tow, Inc., has purchased two NS vessels for contemplated use in these areas. However, it is not believed that these two vessels will alleviate the situation as they will not ply between all points mentioned in the bill.

Hyder is on the southeastern boundary of Alaska immediately adjacent to Canada and is served only by Canadian vessels.

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Because service by United States flag vessels to the points involved appears still to be inadequate, the Department of Commerce favors continued relief to these communities, and, therefore, recommends favorable consideration of this bill.

We have been advised by the Bureau of the Budget that there would be no objection to the submission of this report. If we can be of further assistance in this matter, please call on us.

Sincerely yours,

THOMAS W. S. DAVIS,
Acting Secretary of Commerce.

